(b) if so, what is Government reaction thereto;

(c) what are the reasons for the slow pace of disbursement and consequently its under utilisation; and

(d) how government propose to tackle the issue of "deep-rooted structural impediments in the system of public administration/public sector units/line agencies' as commented upon by the ADB;

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) The question of utilisation of assistance has been under discussion with the multilateral agencies including Asian Development Bank for quite sometime. The Government have taken further steps to improve the utiiissation of externally aided projects. A project Monitoring Unit has also been set up in the Department of Economic Affairs to monitor the utilisation of these projects.

(c) The main reasons for inadequate utilisation are:—

(i) Delay in finalisation of contracts and procurement of goods;

(ii) Availability of counterpart funds; and

(iii) Changes in the scope of some of the projects.

(d) The external assistance is being monitored on regular basis by periodical reviews with the concerned executing agencies and Ministries of Central and State Governments. Steps have also been iniitated to streamline rationalise the procedueer so that remedial action wherever called for is taken to maximise the aid utilisation.

Remittance of foreign exchange by foreign airlines

1974. SHRI S. MADHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the foreign airlines, which have suspended their operations in India or which are yet to commence services after acquiring operational rights, are remitting foreign exchange outside India;

(b) if so, what are the details thereof; and

(c) what are the steps taken to prevent such malpractices?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHARA MURTHY): (a) to (c) The information is being collected and will be laid on the Table of the House.

Agreement with multinational companies

1975. SHRI SOMAPPA R. BOMMAI: Will the Minister of FINANCE be pleased to state:

(a) whether any agreement with the multinationals have been entered into by Government for more than 50 per cent equity in the companies in which they intend to invest;

(b) if so, what is the policy of Government in this regard; and

(c) what is its likely impact on the indigenous industry?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Foreign Investment approvals, including approvals for investments by multinational companies for more than 50 per cent equity in Indian companies, are granted in accordnce with the Statement of industrial Policy of July, 1991

(c) The impact on indigenous industry is likely to be diversified. Parts of industry are likely to benefit from the induction of newer technologies.

Destablisation of Indian Economy

1976. SHRI G. Y. KRISHNAN: Will the Minister of FINANCE be pleased to state:

(a) whether a Development Research Group (DRG) constituted by the Department of Analysis and Policy of the Reserve Bank of India, has said that the